

**IN THE MATTER OF
THE *ENVIRONMENTAL ASSESSMENT ACT*, S.B.C. 2002, c. 43 (THE ACT)**

AND

**IN THE MATTER OF
AN APPLICATION FOR AN ENVIRONMENTAL ASSESSMENT CERTIFICATE**

BY

**RED CHRIS DEVELOPMENT COMPANY LTD.
(THE PROPONENT)**

FOR THE

RED CHRIS PORPHYRY COPPER-GOLD MINE PROJECT

**ENVIRONMENTAL ASSESSMENT CERTIFICATE M05-02
(THE CERTIFICATE)**

Whereas:

- A. The Proponent proposes to construct, operate and decommission an open pit copper-gold mine, a processing mill, tailings management facility, and new access road and transmission line and related infrastructure on the Todagin Plateau, approximately 18 km southeast of the village of Iskut (the Project);
- B. The Project constitutes a reviewable project pursuant to Part 3 of the *Reviewable Projects Regulation* (B.C. Reg. 370/02), as the operation will be a new mine facility that during operations will have a production capacity of greater than 75,000 tonnes/year of mineral ore;
- C. On November 19, 2003, the Environmental Assessment Office (EAO) issued an order under section 10(1)(c) of the Act, stating that the Project requires an environmental assessment certificate;
- D. On November 2, 2004, the Project Assessment Director, having been delegated certain statutory and regulatory powers by the Executive Director in accordance with section 4(1)(a) of the Act, accepted for review an application filed by the Proponent for an environmental assessment certificate (the Certificate) for the Project, and established a public comment period for the application and application supplement;
- E. On November 30, 2004, the Project Assessment Director accepted for review an application supplement, which contained the results of studies and field work conducted during the summer field season of 2004;

- F. On October 20, 2004, the Project Assessment Director determined that the notification and consultation measures undertaken and proposed by the Proponent for both the public and First Nations were adequate;
- G. The Application, Application Supplement and supplementary information provided during the course of the assessment (as listed in Schedule A) were made available for review by the public and by representatives from federal, provincial and local government agencies, the Iskut First Nation, and the Tahltan First Nation;
- H. The Project Assessment Director prepared a report on the potential effects of the Project entitled the "Red Chris Porphyry Copper-Gold Project Assessment Report" (the Assessment Report);
- I. The Executive Director has referred the Application, the Application Supplement, the Assessment Report, and Recommendations of the Executive Director and Reasons for Recommendations pursuant to s.17 of the Act, to the Minister of Environment (the Minister) and the Minister of Energy, Mines and Petroleum Resources, (hereafter the Ministers); and
- J. The Ministers have considered the Application, the Application Supplement, the Assessment Report, and the Recommendations of the Executive Director and Reasons for Recommendations.

Now Therefore,

The Ministers, pursuant to s.17(3) of the Act, hereby issue this Certificate to the Proponent for the Red Chris Porphyry Copper-Gold Mine Project, subject to the following conditions (the Conditions):

Conditions

- 1. The Proponent must cause the Project to be designed, located, constructed, operated and decommissioned in accordance with the Conditions of this Certificate and the documents listed in Schedule A and must comply with all of the Conditions of this Certificate to the reasonable satisfaction of the Minister.
- 2. Where, in the reasonable opinion of the Minister, there is a conflict or inconsistency between any of the documents listed in Schedule A, Condition 1 must be interpreted so that the contents of the later dated document will vary, repeal, rescind or supersede, as the case may be, the contents of the earlier dated documents listed in Schedule A.
- 3. Where, in the reasonable opinion of the Minister, there is a conflict or inconsistency between any of the documents listed in Schedule A and the Conditions which follow, these Conditions must take precedence over and supersede the contents of the documents listed in Schedule A.

4. Despite Condition 1 above, if prior to the start of construction of the Project, the Proponent proposes a material change to the design, location, construction, operation or decommissioning of the Project as described in the documents listed in Schedule A, and the change may in the opinion of the Executive Director have the potential for significant adverse effects, the Proponent must then provide to the Executive Director:
 - a) an application in writing to amend the Certificate pursuant to s.19(1) of the Act; and,
 - b) plans, analysis, records and other information necessary for an effective assessment by the Executive Director of the proposed change.
5. This Certificate is of no force or effect until signed by the Ministers.
6. This Certificate does not constitute a permit, licence, approval or any other authority required under any other enactment.
7. The Proponent, except in connection with granting security to Project lenders or other financing entities or financing facilities, must obtain the written consent of the Minister, such consent not to be unreasonably withheld, prior to disposing, whether legally, beneficially or otherwise, of:
 - a) this Certificate, or any right, title or interest conferred by this Certificate; or
 - b) the Project.

Duration of Certificate

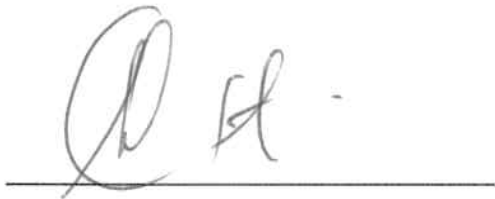
8. The Proponent must have, in the reasonable opinion of the Minister, substantially started the construction of the Project within five years of the date of issue of this Certificate, otherwise this Certificate expires.

Suspension, Cancellation and Amendment of Certificate

9. This Certificate may be subject to cancellation, suspension in whole or in part, amendments, or the attachment of new Conditions, for any of the following reasons:
 - a) the Minister has reasonable and probable grounds to believe that the Proponent is in default of:
 - i. an order of the Courts under section 35(2), 45 or 47 of the Act;
 - ii. an order of the Minister made under section 34 or 36 of the Act; or
 - iii. one or more requirements or Conditions of this Certificate; or
 - b) the Proponent or its officers or employees when acting on behalf of the Proponent, have been convicted of an offence under the Act, with respect to the Project.

The Conditions of this Certificate are agreed to by the Proponent this

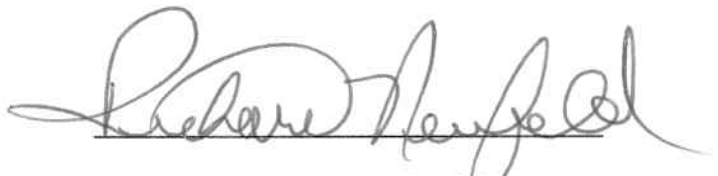
21st day of July, 2005



Ian Smith
President
Red Chris Development Company Limited



Honourable Barry Penner
Minister of Environment



Honourable Richard Neufeld
Minister of Energy, Mines and
Petroleum Resources

Issued this 24th day of August, 2005, in Victoria, British Columbia.

SCHEDULE A

DOCUMENTATION AND CORRESPONDENCE FOR THE RED CHRIS PORPHYRY COPPER-GOLD MINE PROJECT

October 27, 2003	RCDC submitted Project Description to the EAO.
January 19, 2004	Memorandum of Understanding and Statement of Principles between: Tahltan Band Council, Iskut First Nation, Tahltan Central Council and Red Chris Development company Ltd. and bcMetals Corporation entered into.
October 28, 2004	Letter from Peter Campbell to Garry Alexander with final version of RCDC's Application and Supporting Studies (Volumes 1 to 4 and Appendices enclosed).
November 5, 2004	Letter from Garry Alexander to Peter Campbell, re: notice of acceptance of application for concurrent review of MOF Special Use Permit and Licence to Cut, and EMPR permit under section 10 of the <i>Mines Act</i> .
December 3, 2004	Application Addendum (Volumes 1 to 14) for a Project Approval Certificate for the Red Chris Porphyry Copper-Gold Mine Project.
December 21, 2004	Letter from Peter Campbell to Garry Alexander, re: forwarding bcMetals Corporation <u>Results of Feasibility Study/Mine Plan Optimization</u> which describes the changes resulting from the mine optimization process.
June 30, 2005	Letter from Peter Campbell to Garry Alexander, re: Confirmation of Proponent's commitment to Terms and Conditions of Memorandum of Understanding entered into with Iskut First Nation, Tahltan Band Council, and Tahltan Central Council on January 19, 2004.
July 18, 2005	Letter from Peter Campbell, Red Chris Development Company Ltd. to Garry Alexander, Environmental Assessment Office with an attachment entitled: <i>Summary of Red Chris Development Company Ltd's Commitments</i> .
July 20, 2005	Letter from Peter Campbell, Red Chris Development Company Ltd. to Garry Alexander, Environmental Assessment Office regarding additional Red Chris Development Company Ltd. Commitments.